

MINUTES ADOPTED BY CITY COUNCIL

Greenville, NC
March 5, 2003

The Greenville City Council met in a regular meeting on the above date at 8:00 AM in the City Council Chambers, third floor of the Municipal Building, with Mayor Pro-Tem Miller presiding. The meeting was called to order, and the following were present.

Mayor Pro-Tem Ric Miller
Council Member Mildred A. Council
Council Member Ray Craft
Council Member Pat Dunn
Council Member Rose H. Glover
Council Member Chip Little
Marvin W. Davis, City Manager
Wanda T. Elks, City Clerk
David A. Holec, City Attorney

The following were absent: Mayor Robert D. Parrott

City Manager Davis explained that the City received word yesterday that it maintained its AA3 bond rating, which it has had for about nine years. The Capital Improvement Program (CIP) Team is comprised of Bill Richardson (Deputy City Manager), Tom Tysinger (Director of Public Works) and Bernita Demery (Financial Services Director).

Mayor Pro-Tem Miller asked if the Council could be provided with the status of existing or ongoing projects, status of expenditures on those projects, what is left to be spent on the projects and where the City stands on the projects now. He asked if this could be provided by the next meeting. He also asked the staff to provide information on where the City stands on debt service.

PRESENTATION OF 10 LARGEST FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) ITEMS

Mr. Tysinger explained how capital projects have a value of over \$35,000 or a life expectancy of over five years. If there is a project or study, it has to have a value of at least \$10,000. The Capital Improvement Program uses grants and other funds to get the most out of City funds by leveraging them. The needs that are presented are fundamental aspects of City services. A considerable amount of projects are unmet, and there are likely more cuts that will have to be made. The extent of dollar requests (\$100,561,922 for met and unmet) represents maintenance of existing property, replacement of worn-out equipment, and increasing requirements of a growing City.

Mr. Tysinger reviewed the list of the ten largest CIP projects as follows:

Tenth Street Connector

Mr. Tysinger explained that of the \$16.6 million budgeted for this project, \$10.6 million may be provided by the North Carolina Department of Transportation, \$4 million may be provided by grants, and \$2 million may come from the Powell Bill or General Fund.

Storm Drainage Maintenance Improvements

Mr. Tysinger explained that this \$7.61 million project will be paid for from funds from the stormwater utility. This will be an Enterprise Fund, and the fee that people pay will go into this fund.

City Manager Davis explained the difference between certificates of participation, general obligation bonds and revenue bonds.

Intermodal Transportation Center

Mr. Tysinger explained that this \$7.52 million project could be paid for with a 90/10 grant, using \$6,768 million of federal/state funds for the 90% grant and \$752,000 from the General Fund for the 10% match.

City Hall Facilities

It was explained that the funds allocated for this \$6.725 million project include \$3.525 million in bonds and \$3.2 million in Capital Reserves.

CDBG/Home

This \$6.045 million project will be funded through Community Development Block Grant and HOME funds.

Radio System Upgrade and Replacement

This \$3 million project will be paid for with bond funds.

Street Resurfacing

This \$2.94 million project will be paid for with Powell Bill Funds. Streets within the City of Greenville are on a rotation, and at the current rate, each street is repaved every 17 years, and it is the desire of staff to do it every 12 years. There are currently 220 miles of City streets that are maintained by City staff. There are 375 to 400 miles in the City; however, many of them are maintained by the North Carolina Department of Transportation. Approximately seven to eight miles of streets get paved per year.

Council Member Glover requested to have a list of streets that are scheduled to be resurfaced.

Discussion occurred about the eligible uses of the Powell Bill.

Thomas Langston Road Extension

This \$2.826 million project may be paid for with bonds.

Mayor Pro-Tem Miller stated that the City should make this a priority.

City Manager Davis stated that the Transportation Improvement Program will be updated this year, and that will be the time to make that recommendation.

Discussion occurred about street assessments.

Mayor Pro-Tem Miller explained that there needs to be a decision on whether property is going to be residential or commercial prior to considering having the developer pay. When the property is going to be commercial, it may be cost effective for the developer to pay or help pay for the street; however, it is not as cost effective if the property is going to be developed as residential.

Police-Fire/Rescue Headquarters Addition

This \$2.5 million project involves adding a third story onto the Police-Fire/Rescue Headquarters building. It is proposed that this project be funded with Revenue Bonds or certificates of participation.

Fire/Rescue Substation and Training Center

This \$2.388 million project involves constructing Fire/Rescue Substation #6 and a training center. It is proposed that this project be funded with bonds.

Discussion occurred about the City sharing the training center with Pitt Community College.

Chief Spell explained how the City really needs its own training center. At the current time, the staff is in need of a test bit, burn building, smoke building, etc. The Greenville Fire/Rescue department is different than any other Department in North Carolina in that it is a Fire and Rescue Department and they have diverse training. The staff has plenty of EMS training, but they need more fire training. They need to do some USARF things. They don't have a facility for certain things to take place. He is applying for a \$130,000 grant in teleconferencing because of that.

City Manager Davis explained that staff needs ISO training.

Chief Spell stated that the ISO rating can be from one to ten. The City of Greenville has a class three fire department. Station 6 will allow them to keep that rating. Two hundred forty hours of training are required each year. There is currently six minutes of response time in the area of

Station 6, and the goal is four minutes or less anywhere in the corporate limits. Station 7 should be in the Firetower Road/Evans Street area.

Mayor Pro-Tem Miller stated that if the Council has any concerns about items in the book to submit them to the City Manager, who will put them together and share them with the entire Council. He asked that this be done within the next week.

Council Member Little asked if the Council could get more of a breakdown of where funding will come from.

City Manager Davis stated that there is more detail on page 150 in the book. He will hand out a summary for the remaining years.

Mr. Tysinger highlighted the capital improvement items of interest.

- EMS equipment and unit for Station 5
- EMS unit replacement
- LAN Telephony
- Carver Library roof replacement
- Replacement of Police/Fire Rescue keyfile. The software they have now is in dire need of replacement
- Expansion of GIS system
- Citywide network
- Continuance of façade grant program
- Central city streetscape master plan that guides downtown area
- Gateway improvements—landscaping improvements at the entrance to the City of Greenville. Memorial Drive & Dickinson Avenue are the only ones under met needs
- Mobile terminals for the Police Department
- Bus wash system, an automatic wash piece of equipment that can be funded 80% with federal dollars and 20% with City dollars
- Solid waste equipment—loaders, leaf collectors, garbage trucks.
- Backhoe loader for cemetery
- Regional medical center transportation, which is a \$167,000 grant
- Stantonsburg/Tenth Street Connector, which is the #1 largest project
- Arlington Boulevard Extension from Emergency Drive to NC 43. We hope to see it move forward. The Department of Transportation is working with Pitt County Memorial Hospital on this.
- Maintenance improvements projects to the gyms and recreation centers
- Bulkhead, which is included in general obligation bonds. The old one was put into place 30 years ago

Mayor Pro-Tem Miller requested information on how much each item is funded each year.

City Manager Davis stated that is done during the budget process.

City Manager Davis reviewed the following information, indicating the funding available through various revenue sources for the next five years.

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TOTAL AVAILABLE FUNDS SUMMARY						
	BUDGET YEAR	PLANNING YEARS				
REVENUE SOURCES	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008	TOTAL
General Fund (GF)	761,350	467,250	679,000	832,500	211,000	2,951,100
Lease Purchase (LP)	951,153	965,450	736,752	454,511	1,478,449	4,586,315
Powell Bill (PB)	1,302,300	1,228,900	920,000	2,630,000	880,000	6,961,200
Capital Reserve (CR)			2,850,000	350,000		3,200,000
Long Term Financing (B)	743,000	3,726,000	4,585,000	8,541,300	2,533,291	20,128,591
NCDOT (NC)	140,700	110,100			10,600,000	10,850,800
Grants (G)	2,146,800	2,899,000	4,602,000	10,479,000	1,529,000	21,655,800
Storm Water Utility (SWU)	1,288,000	3,410,000	2,780,000	2,330,000	1,000,000	10,808,000
Total	7,333,303	12,806,700	17,152,752	25,617,311	18,231,740	81,141,806

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LONG-TERM FINANCIAL DISCUSSION

Ms. Bernita Demery, Director of Financial Services, reviewed the revenues for the 2003-2004 Capital Improvement Program as follows:

Stormwater Utility (\$1,288,000)—18%
 Grants (\$2,146,800)—29%
 NCDOT (\$140,700)—2%
 Bonds (\$743,000)—10%
 Capital Reserve (\$0)—0%
 Powell Bill (\$1,302,300)—18%
 Lease Purchase (\$951,153)—13%
 General Fund (\$761,350)—10%

Ms. Demery continued by explaining that general obligation bonds are the cheapest method of financing. The 2004 General Obligation Bond Projects were:

Fire/Rescue Station #6	\$1,038,000
Training Center	1,350,000
Radio System Replacement	3,000,000

Brownlea Drive Extension	750,000
Thomas Langston Road	2,826,000
West Third Street Reconstruction	840,000
Addition to City Hall	2,850,000
Town Commons Park	600,000
Technology Application	<u>\$2,000,000</u>
	\$15,254,000

Mayor Pro-Tem Miller stated that the Council needs to consider a bond referendum at a workshop meeting. They need to discuss timing as this cannot be done quickly.

FINANCIAL ANALYSIS INFORMATION OF CAPITAL RESERVE, DEBT SERVICE, AND FUND BALANCE

Ms. Demery stated that the City will have to pay \$600,000 of debt service per year for 20 years on the bonds, depending on the interest rate that the City receives on the upcoming net debt reduction and refunding. Bonds are typically for 10, 15 or 20 years.

Upon being asked how much revenue there is on a one cent tax increase, Ms. Demery replied that a one cent tax increase would yield about \$280,000. Twenty-seven percent of the Capital Improvement Program is funded by grants. The City has a total of between \$3.5 and \$4 million in debt service each year. The previous year Capital Improvement Program funding sources were \$800,000 from the Powell Bill and \$1.4 million in Capital Reserve. The City would like to transfer between eight to twelve percent to the Capital Reserve Fund. The City has not been able to do that in the last several years.

Ms. Demery explained the 2007 COPS Projects as:

Police-Fire/Rescue Headquarters	\$2,500,000
Southeast Branch Library	1,260,000
Fire/Rescue Station 7	1,235,000
H. Boyd Lee Park	<u>1,200,000</u>
	\$6,195,000

Mayor Pro-Tem Miller made the following requests of staff.

- Go through the plan and put any comments in writing to the City Manager for him to compile and return to the Council.
- Get information so the Council can get a grasp on what the City really owes.
- To provide to the Council a property inventory so the Council can see how much property they own.

STRENGTHS AND WEAKNESSES OF THE FIVE-YEAR PLAN

City Manager Davis stated that the City's strengths regarding the Capital Improvement Program are (1) that the City has done a fair amount of capital improvements in the past, (2) the City has a good bond rating and financial policy, (3) departments have given good projects and backup, and

(4) staff has continually tried to meet the financial needs of the City. The weaknesses have been that (1) there are more demands than resources available, (2) they have to look at the means for debt and debt service down the road, and (3) other people are controlling a great deal of the funds. The City of Greenville is a growing City that is a little behind now. The further it gets behind, the harder it is to catch up.

Mayor Pro-Tem Miller stated that the Mayor, the City Manager, the City Attorney, and he went to Washington, DC yesterday and had the opportunity to discuss Greenville issues with the Congressmen. They were very receptive to hearing about the needs of Greenville.

Council Member Council stated that Congressman Frank Ballance was in Greenville for the community town meeting. She stated that she had the minutes from the Transportation Committee that met in Salt Lake City. Some of the issues are similar. She will get those to the City Council.

ADJOURN

There being no further business to discuss, the meeting adjourned at 10:45 a.m.

Respectfully submitted,

Wanda T. Elks, CMC
City Clerk